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THE CROW'S NEST PASS COAL COMPANY, LIMITED  
FERNIE, BRITISH COLUMBIA

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# ANNUAL REPORT

FOR

YEAR ENDED DECEMBER 31, 1939.



## BOARD OF DIRECTORS

H. P. Wilson  
L. C. Gilman  
Erasmus C. Lindley

Thomas Balmer  
James T. Maher  
F. D. Pratt

Welles V. Moot

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## EXECUTIVE COMMITTEE

Thomas Balmer, Chairman

H. P. Wilson  
James T. Maher

L. C. Gilman  
F. D. Pratt

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## OFFICERS

H. P. Wilson .....	President & General Manager
Thomas Balmer .....	First Vice President
L. C. Gilman .....	Second Vice President
Geo. H. Hess, Jr. ....	Comptroller
A. A. Klauer .....	Treasurer
J. S. Irvine .....	Secretary
Welch, Anderson & Company .....	Auditors

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## TRANSFER AGENTS

Toronto General Trusts Corporation, Toronto, Ont.

Bankers Trust Company, New York, N. Y.

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## REGISTRARS

National Trust Company, Limited, Toronto, Ont.

Central Hanover Bank & Trust Co., New York, N.Y.

Fernie, British Columbia,  
March 21, 1940.

TO THE SHAREHOLDERS OF  
THE CROW'S NEST PASS COAL COMPANY, LIMITED :

We submit herewith the Forty-third Annual Report of your Company for the year ended December 31, 1939, together with a Balance Sheet, duly certified by your Auditors, Welch, Anderson & Company, as well as a statement of Income and Surplus Account.

The profit from all sources after depreciation and depletion amounted to \$164,132.07.

There was expended on Capital Account during the year the sum of \$321,633.92, which includes ten Curran-Knowles by-product coke ovens at Michel.

Distributions to shareholders during the year amounted to the sum of \$186,354.00, which is equivalent to \$3.00 per share. This amount was paid from the following sources :

Earned Profits .....	\$ 89,734.63
Depreciation and depletion reserve funds .....	96,619.37

Coal mined amounted to 600,551 tons as compared with 482,417 tons in 1938.

Coke production was 57,350 tons as compared with 54,602 tons in 1938.

By Order of the Board of Directors,

H. P. WILSON,

President.

## AUDITORS' REPORT AND CERTIFICATE

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Toronto, Canada,  
February 26th, 1940.

To the Shareholders,

THE CROW'S NEST PASS COAL COMPANY, LIMITED,  
Ferne, B.C.

We report that we have audited the books and accounts of your Company for the year ended December 31st, 1939, and certify that we have obtained all the information and explanations required.

We confirmed the securities of the Company held for safekeeping by the Imperial Bank of Canada, Vancouver Branch, by certificate from the depository.

The cash and bank balances were verified, either by actual count or by certificates from the depositories.

The accounts receivable have not been verified by direct communication with the debtors.

Deficits in subsidiaries are now being written off on an annual basis, which we consider adequate.

We further certify that the accompanying balance sheet is, in our opinion, so drawn as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information, the explanations given us and as shown by the books of the Company.

WELCH, ANDERSON & COMPANY,  
Chartered Accountants.

# THE CROW'S NEST PASS COAL COMPANY, LIMITED

## BALANCE SHEET — DECEMBER, 31st, 1939.

### ASSETS

Cash on hand and in banks .....	\$ 207,404.02
Accounts receivable .....	249,289.55
Coal, coke, and by-products and mine supplies—at cost or useful values .....	136,089.22
Bonds and shares (market value \$867,387.00) at cost .....	830,958.57
Bonds and shares (no established market value) nominal value .....	2.00
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	1,423,743.36
Imperial Bank of Canada, Fernie—Dividend Account	
To provide for issued and outstanding dividend cheques,	
per contra .....	86,687.78
Accounts receivable net—subsidiaries—wholly owned companies ....	14,297.29
Shares of wholly owned subsidiaries .....	439,554.20
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	453,851.49
Mines, real estate, buildings, plant and equipment at cost, less	
amounts written off to reserves .....	6,158,115.30
Less: Reserves for depletion and depreciation .....	2,918,701.75
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	3,239,413.55
Deferred Charges .....	2,828.59
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Total .....	<u>\$5,206,524.77</u>

### LIABILITIES

Accounts payable—including accrued wages .....	44,338.89
Accrued taxes and assessments .....	3,934.21
Provision for Dominion of Canada 1939 income tax .....	35,397.36
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	83,670.46
Dividend cheques issued and outstanding — per contra .....	86,687.78
Capital :	
Authorized \$10,000,000.00 divided into 100,000 shares of the par	
value of \$100.00 each — Subscribed and paid up .....	6,212,666.66
Deficit :	
December 31st, 1939, as shown on accompanying Statement .....	1,176,500.13
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	5,036,166.53
Total .....	<u>5,206,524.77</u>

This is Balance Sheet referred to in Auditors' report dated  
February 26th, 1940.

Signed on behalf of the Board :      James T. Maher, Director.  
Thomas Balmer, Director.

# THE CROW'S NEST PASS COAL COMPANY, LIMITED

## STATEMENT OF INCOME

For the year ended December 31st, 1939.

Profit on coal and coke operations .....		\$ 404,632.30
Less : Executive officers' salaries .....	33,800.00	
Counsel and legal fees .....	2,797.80	
Directors' fees .....	2,500.00	
Provision for depreciation .....	130,847.52	
Provision for depletion .....	60,055.10	
		<u>230,000.42</u>
		174,631.88
Other Income :		
Interest on securities — after amortization of investments		
\$2,427.92 .....	34,369.44	
Interest on bank balances, exchange, etc.—net .....	948.52	
Recovered on accounts previously written off .....	1,989.15	
Sundry income—net .....	23,580.52	
		<u>60,887.63</u>
		235,519.51
Other Charges :		
Loss on sale of securities .....	1,223.34	
Investment in stocks (with no established market value)		
written down—subsidiary companies .....	34,621.39	
		<u>35,844.73</u>
		199,674.78
Less : Provision for income tax—year 1939 .....		<u>35,542.71</u>
Net Profit For Year .....		<u><u>164,132.07</u></u>

## STATEMENT OF DEFICIT — DECEMBER 31st, 1939.

Distribution to shareholders to December 31st, 1938, from funds derived through creation of Reserves for Depreciation and Depletion .....		1,244,012.83
Add : Dividends declared and paid in year 1939 .....	186,354.00	
Less : Profit for the year ended December 31st, 1938 .....	89,734.63	
		<u>96,619.37</u>
	(x)	1,340,632.20
Less : Profit for the year ended December 31st, 1939 .....		<u>164,132.07</u>
Deficit—December 31st, 1939—as shown on Balance Sheet .....		<u><u>1,176,500.13</u></u>

(x) This amount represents distributions paid to Shareholders to date under powers conferred by Section 83, s. s. 4, of the Dominion Companies Act from funds derived through creation of reserves for depreciation and depletion.

